GOVERNMENT OF INDIA
URBAN EMPLOYMENT AND POVERTY ALLEVIATION
LOK SABHA

STARRED QUESTION NO:504
ANSWERED ON:02.05.2000
FINANCIAL ASSISTANCE BY HUDCO
BHARTRUHARI MAHTAB;SHIVRAJ SINGH CHOUHAN

Will the Minister of URBAN EMPLOYMENT AND POVERTY ALLEVIATION be pleased to state:

(a) the financial assistance provided by the HUDCOfor various rural and urban housing schemes and projects in the country during 1999-2000, State-wise;

(b) the financial assistance likely to be given during 2000-2001, State-wise;

(c) whether the Housing and Urban Development Corporation(HUDCO)has reduced interest rates further to give a boost to the housing development in the country;

(d) if so, the interest rate being charged from the people;

(e) the extent to which it is likely to give a boost to the housing in the rural and urban areas;

(f) whether the housing schemes launched by HUDCO are expected to bridge the gap between urban urban and rural areas; and
(g) is so, the details in this regard?

Answer

MINISTER FOR URBAN EMPLOYMENT AND POVERTY ALLEVIATION (SHRI SUKHDEV SINGH DHINDSA)

(a)to(g): A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 504 FOR 02.05.2000 REGAR FINANCIAL ASSISTANCE BY HUDCO.

(a): During 1999-2000, HUDCO has sanctioned 659 schemes ata project cost of Rs.10444.19 crore, for these programmes, HUDCO has sanctioned Rs.8899.89 crore and released loan of Rs.4372.74 crore. State-wise details are given in Annexure-I.

(b): State-wise details of financial assistance proposed during 2000-2001 are given in Annexure-II.

(c)&(d): In the liberalized economic scenario, interest rates on housing loans have been deregulated and are largely dependent on the general interest rates downwards in such areas where market rates have come down and other Housing Finance Institutions (HFI`s) have reduced the rates. Details of existing interest rates for various types of Housing Programmes aregiven in Annexure-III.HUDCO continues its subsidized lending rate for EWS.

HUDCOhas revised its lending rates for the retail-financing programme-HUDCONIWAS also.These varyfrom 11.5% for laon upto Rs.50,000/- to 14.75% for a loan above Rs.15 lakh upto Rs.25 lakh. Details are given are in Annexure-IV.

(e):It is not possible to immediately gauge the extent to which this will give a boost to the housing sector. However, such competitive interest rates are expected to give a fillip to the housing programmes through affordable financing programmes.

(f)&(g): Sir, It has been estimated by the Planning Commission thatthe shortage in housing stock in the entire country is 22.90 million. Of this, the shortage in rural areas is 14.67 million and shortage in urban areas is 8.23 million. Accordingly, this Ministry`s programme as implemented by HUDCO aredesigned to construct houses in proportion to the shortage. Therefore, in the Two Million Housing Programme, a target of 13 lakh houses is set for the rural areas and a target of 7 lakh houses is set for the urban areas. Of this, HUDCO`s targetis to construct 6 lakh houses in rural areas and 4 lakh houses in urban areas. This is expected to narrow the gap between urban and rural areas progressively and bridge it in due course.

The Indira Awas Yojana, a programme implemented by the Ministry of Rural Development is exclusively for the rural poor. Thisis also expected to help bridge the gap between urban and rural areas in the field of housing.

Annexure-III

FINANCING PATTERN OF HUDCO`S BULK HOUSING SCHEMES

S.NO.	CATEGORY	EXTENT OF FINANCE	INTEREST RATE	REPAYMENT
1.	EWS	90%	10%	15 Years
2.	LIG	85%	12.75%	10 Years
			13.00%	15 Years
3.	Police Rental/ Public Rental Housing	85%	12.75%	10 Years
			13.00 %	15 Years
4.	Ownership Housing Scheme for Cent. Govt. Employees under CGEGIS	Extent as per Guidelines of HUDCO	12.75%	20 Years
5.	Housing (other than EWS, LIG and Action Plan Schemes)	80%	13.50%	10 Years
			13.75%	15 Years

ANNEXURE-IV

RATE OF INTEREST - HUDCO NIWAS

1. FOR CONSTRUCTION OR PURCHASE OF HOUSE OR FLAT OR COMPOSITE LOAN:

LOAN AMOUNT (RS.) (ON MONTHLY REST BASIS)		INTEREST RATE (% P.A.)+
0	50,000	11.50
50,001	2,00,000	12.75
2,00,001	5,00,000	13.50
5,00,001	8,00,000	13.75
8,00,001	10,00,000	13.75
10,00,001	15,00,000	14.50
15,00,001	25,00,000	14.75

2. FOR PURCHASE OF PLOT

UPTO RS.5,00,000	13.50

3. FOR EXTENSION OR IMPROVEMENT OF EXISTING HOUSE

0	1,00,000	12.75
1,00,001	5,00,000	13.50
5,00,001	8,00,000	13.75

+ Rates inclusive of Interest Tax.